Privy Council Office

2015–16

Departmental Performance Report

The Right Honourable Justin Trudeau
Prime Minister of Canada

Michael Wernick
Clerk of the Privy Council and
Secretary to the Cabinet

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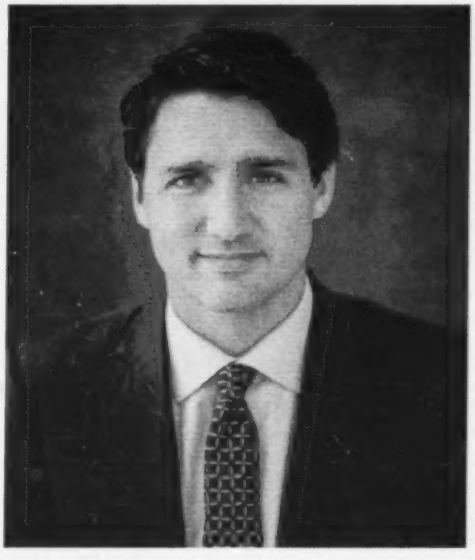
Prime Minister's Message



I greatly appreciate the passion, dedication and work of the Privy Council Office (PCO) and the Public Service as a whole.

We are a new government elected on the promise to restore prosperity to the middle class and to make real change happen in a wide range of areas. To make these commitments a reality, we have an enormous amount of work to do: new bills to draft, new funds to allocate, and new conversations to foster with Canadians across the country.

With the help of PCO and the entire Government of Canada, we have made a terrific start on fulfilling our promises to Canadians—from cutting the taxes of the middle class, to enhanced child benefits, to improvements to the Canada Pension Plan, to laying the groundwork for a renewed relationship with both Indigenous peoples and the provinces and territories.

We have also worked hard to re-energize Canadian diplomacy and leadership on key international issues, and to revitalize our relationship and engagement with international partners and institutions. A key success in this area was how quickly we mobilized to help bring thousands of Syrian refugees to Canada.

I also want to recognize the work done by PCO during the election period and immediately thereafter, when PCO acted as the caretaker ministry. Because of PCO's hard work, there was no disruption of services to Canadians during this time.

As I look through this 2015–16 Departmental Performance Report describing the significant contributions made by PCO to delivering on government commitments, I am reminded of the countless hours put in to get my new Cabinet and its decision-making processes up and running. I am also reminded of the sound advice that my office and I have received from PCO to date, and of the public service excellence we enjoy in this country.

I truly believe that these first few months are just the beginning of a remarkable partnership with PCO and the broader Public Service that will usher in an era of optimism, openness, and prosperity for all Canadians.

Together, we will strengthen the middle class and ensure Canada's best days lie ahead.

Finally, given the importance of performance measurement, we are currently working with the President of the Treasury Board to develop a new, simplified and more effective reporting process for Parliamentarians—and all Canadians—to monitor our progress. So stay tuned for changes to this reporting document.

The Right Honourable Justin Trudeau
Prime Minister of Canada

Results Highlights

This section features key achievements at PCO over the 2015–16 fiscal year, along with supporting financial and full-time equivalent (FTE) information.

- **What funds were used?**

  PCO's actual spending for 2015–16 was $123,119,021.

- **Who was involved?**

  PCO's actual FTEs for 2015–16 were 872.

- **Results Highlights**

  Key achievements of PCO for 2015–16 include:

  ✓Provided professional, non-partisan advice and service to two prime ministers, their respective portfolio ministers and Cabinets, and successfully facilitated the transition from one government to another following the federal elections in October 2015.

  ✓Advised on, developed and delivered a number of critical components for the realization of the Government's agenda including: production and publication of the ministers' mandate letters (November 2015); the Speech from the Throne (December 2015); Budget 2015 (April 2015); Budget 2016 (March 2016); and two First Ministers' Meetings with the provinces and territories.

  ✓Advised the government on implementing its priorities for institutional reform, including the reform of democratic institutions and a new Senate appointments process that involved the establishment of the Independent Advisory Board for Senate Appointments.

  ✓Performed a central advisory and coordination role in the creation of the Cabinet Committee on Agenda, Results and Communications (ARC) and the Results and Delivery Unit of PCO as part of the Government's commitment to deliver real and meaningful results to Canadians by making evidence-based decisions, monitoring delivery, addressing implementation obstacles on key priorities, and reporting on progress to the Prime Minister and Canadians.

  ✓Advised and supported the 23rd Prime Minister, portfolio ministers and Cabinet during their first 150 days in office, on advancing Canada's presence and interests at international events and meetings, including the G20 Summit, Asia-Pacific Economic Cooperation, the Commonwealth Heads of Government Meeting, the twenty-first session of the Conference of the Parties (COP21), the 2016 Nuclear Security Summit, and a state visit to Washington, D.C.

Section I: Organizational Overview

Organizational Profile

Appropriate Minister: The Right Honourable Justin Trudeau, Prime Minister of Canada
The Right Honourable Stephen Harper (*responsible from April 1, 2015, to November 4, 2015*)

Institutional Head: Michael Wernick, Clerk of the Privy Council and Secretary to the Cabinet; Janice Charette, Clerk of the Privy Council and Secretary to Cabinet *(responsible from April 1, 2015, to January 22, 2016)*

Ministerial Portfolio: Privy Council Office

Enabling Instrument(s): Order in Council P.C. 1940-1121

Year of Incorporation / Commencement: 1867

Other: PCO is the central agency that provides the Prime Minister with public service support and directly assists the Prime Minister in performing his/her duties and responsibilities as head of government. The department is the Cabinet secretariat, and provides the necessary support to other ministers in the Prime Minister's portfolio. PCO is headed by the Clerk of the Privy Council, a non-partisan public servant, selected by the Prime Minister. As the Prime Minister's deputy minister and principal source of public service advice, and as Head of the Public Service, the Clerk is responsible for the quality of expert, professional and non-partisan advice and service provided by the public service to the Prime Minister and Cabinet. The Clerk of the Privy Council also has special responsibility for supporting continuity of government across election cycles and is the custodian of the records of current and previous ministries.

Organizational Context

Raison d'être

The mandate of PCO is to serve Canada and Canadians by providing professional, non-partisan advice and support to the Prime Minister, the ministers within the Prime Minister's portfolio and Cabinet. The Prime Minister is responsible for this organization.

PCO supports the development of the Government of Canada's policy, legislative and government administration agendas, coordinates responses to issues facing the Government and the country, and supports the effective operation of Cabinet. PCO is led by the Clerk of the Privy Council. In addition to serving as the Deputy Head for PCO, the Clerk also acts as Secretary to the Cabinet and Head of the Public Service.

Responsibilities

PCO has three main roles:

1. **Provide non-partisan advice to the Prime Minister and portfolio ministers on matters of national and international importance.**

This responsibility includes:

- providing advice and support on the full spectrum of the Government's policy, legislative and government administration priorities, including those pertaining to: social and economic affairs; service delivery, fiscal matters; regional development; international affairs; national security; development assistance; defence; intergovernmental relations; the environment; democratic reform; and legal issues;
- consulting and collaborating with domestic and international stakeholders and partners inside and outside of government, including provincial/territorial governments;
- providing non-partisan advice and support on the development and implementation of the Government's parliamentary and legislative agendas;
- advising on Canada's Westminster style of government and on government structure and organization; and
- providing policy advice on, and operational support to, the Governor-in-Council appointments system, including the selection, recruitment, appointment and compensation of senior officials in federal departments, agencies and Crown corporations and supporting the Independent Advisory Board for Senate Appointments.

2. **Support the smooth functioning of the Cabinet decision-making process and facilitate the implementation of the Government's agenda.**

This responsibility includes:

- managing Cabinet's decision-making system;
- coordinating departmental policy and legislative proposals to Cabinet, with supporting analysis and advice;
- providing scheduling and support services for meetings of Cabinet and Cabinet committees;
- advancing the Government's agenda across federal departments and agencies and with external stakeholders; and
- preparing Orders in Council and other statutory instruments to execute Government decisions.

3. **Foster a high-performing and accountable Public Service.**

This responsibility includes:

- leading business transformation and renewal of the Public Service in order to meet emerging challenges and priorities, and to position the institution for the future; and
- human resources management of senior leaders.

For more information on PCO's main roles, please visit the department's website.[i]

Strategic Outcome and Program Alignment Architecture (PAA)

1. Strategic Outcome: The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.

1.1 Program: Advice and support to the Prime Minister and portfolio ministers

1.1.1 Sub-Program: Issues, policies, machinery and appointments

1.1.2 Sub-Program: International affairs and national security

1.1.3 Sub-Program: Intergovernmental affairs

1.1.4 Sub-Program: Legislation, parliamentary issues and democratic reform

1.1.5 Sub-Program: Offices of the Prime Minister and portfolio ministers

1.2 Program: Advice and support to Cabinet and Cabinet committees

1.2.1 Sub-Program: Operation of Cabinet committees

1.2.2 Sub-Program: Integration across the federal government

1.3 Program: Public Service leadership and direction

1.3.1 Sub-Program: Business transformation and Public Service renewal

1.3.2 Sub-Program: Management of senior leaders

1.4 Program: Commissions of inquiry

Internal Services

Operating Environment and Risk Analysis

PCO is the hub department that provides non-partisan Public Service support and directly assists the Prime Minister in his duties and responsibilities as head of government. The department is also the Cabinet secretariat, and provides the necessary support to the Prime Minister's portfolio. PCO operates in an inherently complex, fast-paced and ever-evolving environment.

PCO's mandate drives its approach to risk. In 2015–16, PCO sustained effective risk-management practices by actively monitoring its operating environment and maintaining a department-wide integrated approach. Through early identification and mitigation of risks, PCO ensured the successful achievement of its strategic outcomes and priorities. Risk management is embedded in PCO's governance structures.

The following table describes three of the top departmental risks identified in PCO's 2015–16 Report on Plans and Priorities, followed by PCO's risk response strategies.

Key Risks

Risk	Risk Response Strategy	Link to Organization's Programs
Risks to the Policy and Legislative Agendas	• Actively monitored emerging domestic and international developments; • Provided timely intelligence assessments; • Fostered networks to promote the sharing of critical information; and • Coordinated with other federal departments and other partners in a timely manner to support Canada's response to emerging issues and crises.	Program 1.1 Program 1.2 Program 1.3
Risks to Information Technology Infrastructure	• Enhanced end user services in the department; • Prepared for and supported the Email Transformation Initiative; • Established enhanced government-wide secure network connectivity; and • Consolidated data centres, which included enterprise applications.	Program 1.1 Program 1.2 Program 1.3 Internal Services
Risks to Security and Emergency Management	• Ensured coordinated responses within PCO and the Prime Minister's Office (PMO) to incidents and crises; • Continued to mature business continuity planning; and • Developed talent management and succession planning for security officials.	Program 1.1 Program 1.2 Program 1.3 Program 1.4 Internal Services

Risks to the Policy and Legislative Agendas

PCO monitored emerging domestic and international developments so that timely intelligence assessments were provided to the Prime Minister regarding situations that could affect Canada's interests. Among the emerging and current issues and crises on which PCO informed the Clerk and the Prime Minister were falling commodity prices affecting global economic stability, grain transportation pressures, the Syrian refugee crisis, the spread of the Zika virus, and the threats posed by terrorist groups and the ensuing security challenges. PCO also monitored and provided advice on reform activities in other jurisdictions in order to inform decision making and learn from and avoid the hurdles experienced by other governments.

Critical information was shared through networks fostered and coordinated by PCO. Such networks included communities of deputy ministers, senior intelligence officials, directors and directors general for parliamentary affairs. Through these communities, information was shared across the whole of government regarding the Government's policy and legislative agenda. PCO worked with partners at other government departments and central agencies and thereby successfully promoted the sharing of critical information, provided guidance and coordinated the sharing of best practices. These efforts by PCO in 2015–16 mitigated risks that had the potential to adversely impact the development, articulation, and implementation of the Government's policy and legislative agendas.

Risks to Information Technology Infrastructure

As a knowledge-based department, PCO relied heavily on information technology (IT) to enable its work in 2015–16. Inherent risks included disruption of the IT infrastructure which could diminish the capacity of the department to fulfill its mandate. PCO mitigated this risk by undertaking steps to stabilize the departmental IT infrastructure, websites and disaster recovery site. As well, PCO mitigated this risk through implementation, support and enhancements to enterprise applications (e.g., Phoenix, PeopleSoft and the Systems Applications and Products, known as SAP).

As the new pay system Phoenix was implemented in PCO, regular communications kept employees informed on progress. Training and other resources, such as procedural guides, Q&As, orientation sessions and communiqués were provided to employees and managers. PCO also proactively addressed data integrity issues in order to ensure a smooth transition of data. As at the end of fiscal year 2015-16, PCO was monitoring instances of incorrect or missing pay, and immediately addressing such matters with the Public Service Pay Centre in Miramichi, New Brunswick.

PCO completed activities to prepare for and support the future migration of email as part of the Email Transformation Initiative (ETI). PCO also promoted effective management of information practices and tracked progress. Activities in support of ETI will continue into the next fiscal year.

PCO participated in the government-wide Secure Infrastructure project, thereby continuing its preparation for the roll-out and transition of its classified network, to a stable and robust environment supported by the Communications Security Establishment Canada (CSEC).

PCO continued to consolidate its data centres and prepared for the implementation of My Government of Canada Human Resources (My GCHR), scheduled for November 2017.

These efforts by PCO in 2015–16 mitigated risks related to PCO's Information Technology Infrastructure.

Risks to Security and Emergency Management

PCO introduced new Business Continuity Planning (BCP) methodology and updated its Business Impact Assessment in 2015–16 to mitigate security and emergency management risks. In addition, it began updates on critical services and associated dependencies in the organization. To analyze the effectiveness of its BCP methodology, PCO completed a table-top exercise on continuing operations in the event of an incident. While effective, areas to further BCP enhancement were identified. The BCP continues to evolve as a result of continuous review to enhance mitigation strategies.

In addition, PCO developed a departmental framework to coordinate integrated response to and recovery from threats, emergencies and security incidents by strengthening emergency response and information exchange protocols, and by promoting a culture of security awareness and preparedness through briefings, training and a variety of communications products. Because every incident is unique, emergency management processes and procedures will continuously undergo refinement; however, this departmental framework has proven to be an effective emergency management tool.

Transition between governments resulted in supplementary security considerations to safeguard the functioning and integrity of both governments. PCO's efforts facilitated a secure and relatively seamless transfer to ensure the protection of information, people and transition of Government.

Organizational Priorities

PCO has one Strategic Outcome: "The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained." This single Strategic Outcome, in turn, is closely supported by four ongoing priorities.

During 2015–16, attention and resources at PCO were focused on a number of the government's commitments. The table below provides a summary of progress against PCO's priorities as well as the Government's mandate during the 2015–16 fiscal year. For additional information, please refer to the "Performance Analysis and Lessons Learned" segments in Section II of this report.

For more information on government and organizational priorities, see the ministers' mandate letters.[ii]

Priority 1: Support the Prime Minister and portfolio ministers in exercising their overall leadership responsibilities.

Description:

- Delivered transition support for the Prime Minister, including planning for the orderly transfer of Constitutional responsibilities from one Prime Minister and the Ministry to another as well as transition support to portfolio ministers, and support for the development and publication of *Open and Accountable Government*, the Prime Minister's guide to the Ministry which sets out the core principles regarding the roles and responsibilities of ministers.
- Provided professional, non-partisan advice and support to the Prime Minister on the entire spectrum of the Government's policy, legislative and government administration priorities, including the launch of the Government's program in Parliament, its reform of democratic institutions and the overall management of the government agenda for the Prime Minister.
- Provided professional, non-partisan advice and support to portfolio ministers.
- Advised on the communications aspects of a broad spectrum of the Government's policy priorities.
- Provided policy advice on, and operational support to, the Governor-in-Council appointments system, including the selection, recruitment, appointment and compensation of senior officials in federal departments, agencies and Crown corporations, and supported the Independent Advisory Board for Senate Appointments.
- Established the Results and Delivery Unit to support the Prime Minister in ensuring progress on top priorities.

Priority Type[1]: Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Agenda and Results	January 2016	*In Progress*	On track	Programs 1.1 and 1.2

Progress Toward the Priority

- Results and Delivery Unit established in PCO to ensure a focus on results as the government works to achieve its agenda, and to support the Prime Minister in delivering on top priorities.
- Collaborated with key departments to develop instruments to monitor delivery, address implementation obstacles, and report on progress to the Prime Minister and Canadians.

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Parliamentary Reform (includes Senate, House of Commons, and role of Parliamentarians)	November 2015	*In Progress*	On track	Program 1.1

Progress Toward the Priority

- Senate: advice and support to the Minister of Democratic Institutions for the development and launch of a new, non-partisan, Senate appointments process. Independent Advisory Board for Senate Appointments established and seven appointments made under a transitional process; Ministers are attending Senate Question Period from time to time.
- House of Commons Reform: advice and support to the Leader of the Government in the House of Commons (LGHC) for appearing before Procedure and House Affairs Committee to discuss Question Period, family-friendly parliament and other reforms, and ongoing advice and support to the LGHC on these issues.
- Advice and support to the LGHC to develop policy proposals for the creation of a statutory committee of Parliamentarians on National Security.

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Electoral Reform	FY 2015–16	*In progress*	On track	Program 1.1

Progress Toward the Priority

- Advice and support to fulfill the Government's commitment to convene an all-party parliamentary committee with a mandate to study electoral reform options.
- Outreach process developed to include cross-country discussion, and to raise awareness and encourage the participation of Canadians in consultations on voting system reform.

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Open Government	FY 2015–16	*In progress*	On track	Program 1.1

Progress Toward the Priority

- Advised on the development of the Ministers' mandate letters, which were published for the first time by the Government of Canada.
- Advised on the development and publication of *Open and Transparent Government*, the Prime Minister's guide to the Ministry which sets out the core principles regarding the roles and responsibilities of ministers.
- Developed a new, more rigorous approach to Governor-in-Council appointments that established more open, transparent and merit-based processes to support ministers in making appointments within their portfolios.

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Youth	FY 2015–16	*In progress*	On track	Program 1.1

Progress Toward the Priority

- Established the Youth Secretariat in PCO to support the Prime Minister in his role as Minister of Youth, to support the Parliamentary Secretary to the Prime Minister (Youth), and to coordinate government-wide youth policy, programs, and engagement activities.
- Commenced work on the design of the Prime Minister's Youth Council, as announced in Budget 2016.

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Intergovernmental Affairs	FY 2015–16	*In progress*	On track	Program 1.1

Progress Toward the Priority

- Advised on and supported two First Ministers' Meetings (November 2015 and March 2016).
- Advised on and supported delivery of meetings in support of the Government's priority on nation-to-nation relations with the Indigenous communities: Assembly of First Nations Special Chiefs Assembly (December 2015); national Indigenous organizations (December 2015); Inuit leaders (January 2016); Indigenous leaders (March 2016).

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Communications strategies: advice to Cabinet and Cabinet committees	December 2015	March 2016	Achieved	Program 1.1

Progress Toward the Priority

- Advised on all communications strategies submitted as part of Memoranda to Cabinet.
- Provided advice on advertising to inform Canadians on government programs and services.
- Coordinated, measured and provided advice to departments on public opinion research to ensure value for research conducted and to remove duplication of effort.

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Syrian Refugee Intake and Resettlement	December 2015	March 2016	Achieved	Program 1.1

Progress Toward the Priority

- Advised on and coordinated support between the Government and key departments on the arrival/resettlement of 25,000 Syrian Refugees, which was achieved on February 29, 2016.

Planned Initiative	Start Date	End Date	Status	Link to the Organization's Program(s)
Raise Canada's international profile and influence	November 2015	*In progress*	On track	Program 1.1

Progress Toward the Priority

- Provided professional advice and support to the Prime Minister and portfolio ministers in advance of their attendance at the following: the G-20 Summit (Turkey, November 2015); the Asia-Pacific Economic Cooperation (Philippines, November 2015); the Commonwealth Heads of Government Meeting (Malta, November 2015) ; the World Economic Forum (Switzerland, January 2016); and the 2016 Nuclear Security Summit (Washington, D.C., March 2016).
- Advised and supported the Prime Minister in re-energizing Canada's presence in multilateral fora, as evidenced by Canada's active and constructive participation in the twenty-first session of the Conference of Parties (COP21), France, November 2015, reaching the Paris Agreement on climate change.
- Supported Canada's international climate change negotiations, meeting related commitments and engagement with North American partners on a continental approach to energy and the environment (Washington, D.C., March 2016).
- Supported the Prime Minister in hosting the international community: Globe 2016 (Vancouver, March 2016).
- Facilitated the Prime Minister's meetings with the following heads of state/government: Her Majesty Queen Elizabeth II; United Nations Secretary-General; President of Argentina.
- Advised and supported the Prime Minister in advance of his meeting with the President of the United States to reinvigorate Canada's relationship with its most important bilateral partner.
- Advised and supported the Prime Minister and the Ministry on the arrival/resettlement of 25,000 Syrian Refugees, which demonstrated to the world Canada's commitment and capability to provide humanitarian assistance to a region devastated by civil war.
- Advised and supported the Prime Minister in advance of Canada announcing its candidacy for a non-permanent seat at the UN Security Council, further reaffirming its commitment to multilateralism.
- Provided support and advice on beneficial trade agreements such as the Canada-European Union Comprehensive Economic and Trade Agreement, the Trans-Pacific Partnership and agreements with Ukraine.

Priority 2: Support the deliberations of Cabinet and its committees on key policy initiatives and coordinate medium-term policy planning.

Description:

- Provided advice and support on the full spectrum of policy, legislative and government administration priorities of Cabinet and Cabinet committees.
- Provided advice to Cabinet and Cabinet committees on the overall communications strategies necessary to support the Government's priorities.
- Managed the day-to-day activities that support the work of Cabinet and Cabinet committees, as well as provided a professional secretariat function.
- Provided guidance to and performed a rigorous challenge function for departments to advance policy, legislative and government administration proposals that are high-quality, timely and address priority areas identified by the Government.
- In anticipation of the 2015 federal election, undertook planning activities in support of government transition.
- Supported and coordinated the activities carried out by a variety of deputy minister-level committees, including their work on medium-term policy planning.

Priority Type: Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Agenda and Results	January 2016	*In progress*	On track	Programs 1.1 and 1.2
Progress Toward the Priority				
• Advised on and supported the formation of the Cabinet Committee on Agenda, Results and Communications (ARC) to set the Government's forward agenda, track progress on priorities and consider strategic communications.				

Priority 3: Enable the management and accountability of government.

Description:

- Contributed to sound government administration by supporting improved and more responsive services to Canadians, enhanced productivity in the Public Service and better ways of doing business.
- Supported the Clerk of the Privy Council in the context of the commitment to a Public Service that is efficient, modern and high-performing, by providing advice on Public Service management issues.
- Supported the Clerk of the Privy Council and the Deputy Clerk in their engagement activities with public servants at all levels, which included support for advancing the Blueprint 2020 vision for the Public Service, as well as undertaking initiatives at PCO in support of the vision.
- Provided advice and support to the Prime Minister and the Clerk of the Privy Council on the human resources management of senior leaders.

Priority Type: Ongoing

Priority 4: Strengthen PCO's internal management practices.

Description:

- Enhanced the digital recordkeeping and information use/sharing across PCO.
- Supported the Government of Canada's efforts to modernize information technology (IT) through enhancements to the department's IT networks, systems and processes.
- Continued to implement and support the Employee Performance Management Program at PCO.
- Supported the adoption of Common Human Resources Business Processes and completed the transfer of the department's pay services to the Public Service Pay Centre in Miramichi, New Brunswick.
- Supported the implementation of PCO's Destination 2020 signature initiatives on People Management, Innovation Practices and Networking, and Technology.

Priority Type: Ongoing

For more information on organizational priorities, see the ministers' mandate letters.[iii]

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	Difference (actual minus planned)
118,833,279	121,920,130	127,214,934	123,119,021	1,198,891

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
844	872	28

Budgetary Performance Summary

Budgetary Performance Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)
Strategic Outcome: 1: The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained..								
1.1 Advice and support to the Prime Minister and portfolio ministers	63,821,863	63,821,863	66,239,718	63,455,191	65,771,162	64,371,121	63,488,309	65,873,503
1.2 Advice and support to Cabinet and Cabinet committees	13,921,562	13,921,562	13,876,838	13,171,642	13,868,984	13,338,225	13,636,584	14,105,792
1.3 Public service leadership and direction	4,408,311	4,408,311	4,674,197	4,674,079	3,824,092	3,417,213	2,748,542	2,463,664
1.4 Commissions of inquiry	0	0	0	0	0	0	0	0
Subtotal	82,151,736	82,151,736	84,790,753	81,300,912	83,464,238	81,126,559	79,873,435	82,442,959
Internal Services Subtotal	36,681,543	39,768,394	40,865,520	40,645,833	43,750,696	41,992,462	43,320,220	43,942,168
Total	118,833,279	121,920,130	125,656,273	121,946,745	127,214,934	123,119,021	123,193,655	126,385,127

Variance between 2015–16 Planned Spending ($121,920,130) and 2015–16 Actual Spending ($123,119,021)

PCO's Actual Spending for fiscal year 2015–16 was $1.2 million higher than the Planned Spending.

This increase is partially due to additional spending for temporary initiatives that were not included in PCO's 2015–16 planned spending due to the timing of the preparation of the 2015-16 Report on Plans and Priorities. These initiatives are: the Beyond the Border Action Plan, the Office of the Special Advisor on Human Smuggling and Illegal Migration and the coordination of government-wide communications for Canada's Economic Action Plan. These initiatives subsequently received Treasury Board and Parliamentary approval during the fiscal year.

Additional spending also supported the priorities of the new government. This included the creation of a new, non-partisan, merit-based Senate appointments process and the establishment of a Results and Delivery Unit to support ARC, the Prime Minister and federal departments.

Other spending increases are related to salary-related costs such as separation and severance pay, continued investments in security enhancement initiatives, policy-oriented learning and development opportunities as well as support to the Canadian Secretary to the Queen prior to the transfer of this function to Canadian Heritage in November 2015.

PCO also increased spending towards the modernization of information technology through enhancements to the department's IT networks, systems and processes.

These increases were partially offset by less spending for the PMO and offices of portfolio ministers as a result of the election period, reduced spending for the department related to employee turnover along with some operating savings and decreases in contributions to employee benefit plans.

Total authorities available for use ($127,214,934) compared to Actual Spending ($123,119,021) resulted in a lapse of $4.1 million.

The $4.1 million includes frozen allotments that lapsed at year-end related to the conversion from operating to salary budget to compensate for the year-end salary shortfall, money set aside for future collective bargaining pressures and government-wide initiatives such as the Census of Population and business transformation.

The remaining lapse is due to expenditures that did not materialize as planned and to changes to priorities following the election of the new government. This is offset partially by salary-related costs for separation and severance pay related to the change in government, along with other transition costs.

For variance details between PCO's 2015–16 planned spending and 2015–16 actual spending, by program and sub-program, please refer to Appendix I.

Departmental Spending Trend

The graph above illustrates PCO's spending trend over a six-year period from 2013–14 to 2018-19.

Fiscal years 2013–14 to 2015–16 reflect the department's actual expenditures as reported in the Public Accounts. Fiscal years 2016–17 to 2018–19 represent planned spending.

The overall trend in the graph above illustrates a decrease in spending from 2013–14 to 2018–19 with a slight increase for 2016–17. The amount for 2016–17 includes increased funding for the Senate appointments process due to the high number of vacancies in that year. As well, funding for temporary initiatives will decrease in future years (e.g., Canadian Secretariat to the Canada-U.S. Regulatory Cooperation Council, the Beyond the Border Action Plan and the Office of the Special Advisor on Human Smuggling and Illegal Migration).

Departmental spending in 2015–16 was approximately $75,000 lower than in 2014–15, which is primarily explained by:

- The one-time transition payment in 2014–15 to implement the salary payment in arrears, which was a government-wide initiative;

- Less spending for the PMO and portfolio ministers as a result of the election period;
- A decrease in spending for key government-wide information technology / information management (IM/IT) initiatives, such as the Desktop and InfoXpress Modernization and the Email Transformation Initiatives;
- A decrease in spending for temporary initiatives such as the Beyond the Border Action Plan, the Office of the Special Advisor on Human Smuggling and Illegal Migration, the coordination of government-wide communications for Canada's Economic Action Plan and the Canadian Secretariat to the Canada-U.S. Regulatory Cooperation Council;
- Less spending due to expenditures not materializing as planned, staffing delays and employee turnover related to uncertainties following the election of the new government;
- Less workforce adjustment costs related to the transfer of resources to Miramichi; and
- The transfer of responsibilities for the Canadian Secretary to the Queen to Canadian Heritage in 2015–16.

These decreases are partially offset by:

- An increase in salary-related costs, such as severance and separation pay and increases to contributions to employee benefit plans;
- Continued investments in security enhancement initiatives;
- Additional spending to support the priorities of a new government which included the creation and support of a new, non-partisan, merit-based Senate appointments process, the establishment of the Results and Delivery Unit and the hosting of two First Ministers' meetings; and
- An increase in spending for the Central Innovation Hub due to its first full year of operation.

Between 2016–17 and 2018–19, overall departmental spending is expected to further decrease by $4.3 million, which is mostly explained by:

- The sunsetting of funds related to the Canadian Secretariat to the Canada-U.S. Regulatory Cooperation Council[iv], the Beyond the Border Action Plan, and the Office of the Special Advisor on Human Smuggling and Illegal Migration. Decisions regarding sunset programs will be made in future budgets and may be reflected in future appropriations; and
- A decrease in the spending for the Senate appointments process which is expected to be higher in 2016–17 due to the high number of vacancies that are proposed to be filled in that fiscal year.

Expenditures by Vote

For information on PCO's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2016*,[v] which is available on the Public Works and Government Services Canada website.[vi]

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending with the Whole-of-Government Framework[vii] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
1. The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.	1.1: Advice and support to the Prime Minister and portfolio ministers	Government Affairs	Strong and independent democratic institutions	64,371,121
	1.2: Advice and support to Cabinet and Cabinet committees	Government Affairs	Strong and independent democratic institutions	13,338,225
	1.3: Public Service leadership and direction	Government Affairs	Well-managed and efficient government operations	3,417,213
	1.4: Commissions of inquiry	Government Affairs	A transparent, accountable and responsive federal government	0

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs	0	0
Social affairs	0	0
International affairs	0	0
Government affairs	82,151,736	81,126,559

Financial Statements and Financial Statements Highlights

Financial Statements

The department's financial statements can be found on its website in the Reports and Publications section.[viii]

Financial Statements Highlights

The financial highlights presented below are intended to serve as a general overview of PCO's unaudited financial statements for the 2015–16 fiscal year.

PCO is funded by the Government of Canada through parliamentary authorities. Reporting of these authorities within the department's financial statements is based on accrual accounting, whereas financial reporting in the other sections of the DPR is based on the principles of cash accounting. Consequently, items recognized in the Condensed Statement of Operations and Departmental Net Financial Position and in the Condensed Statement of Financial Position are not necessarily accounted for in the same manner as those reported elsewhere in the DPR. Reconciliation between authorities used and the net cost of operations is presented in Note 3 of PCO's financial statements.[ix]

Financial Statements Highlights

Condensed Statement of Operations (unaudited) For the Year Ended March 31, 2016 (dollars)

Financial Information	2015–16 Planned Results	2015–16 Actual	2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses	142,611,572	139,194,847	142,730,789	(3,416,725)	(3,535,942)
Total revenues	(91,588)	(79,329)	(89,558)	12,259	10,229
Net cost of operations before government funding and transfers	**142,519,984**	**139,115,518**	**142,641,231**	**(3,404,466)**	**(3,525,713)**

The department's Future-Oriented Statement of Operations can be found on PCO's website in the Reports and Publications section.

Net cost of operations before government funding and transfers:

Difference between 2015–16 Actual and 2014–15 Actual

The department's actual net cost of operations before government funding and transfers in 2015-16 was $3.5 million lower than the previous year.

The decrease is primarily explained by less spending related to the election period and employee turnover as well as fewer costs for key government-wide information technology/information management initiatives.

As well, a reduction in spending related to temporary initiatives, the reallocation of costs related to informatics projects, decreases in severance pay, vacation pay, inventory usage costs and common services provided without charge by other government departments also contributed to the decrease.

These decreases are partially offset by additional spending to support the priorities of a new government, an increase in salary-related costs such as separation pay and an increase in the contributions to employee benefit plans. Furthermore, there was an increase in spending for the Central Innovation Hub due to its first full year of operation as well as continued investments in security enhancement initiatives.

Difference between 2015–16 Actual and 2015–16 Planned Results

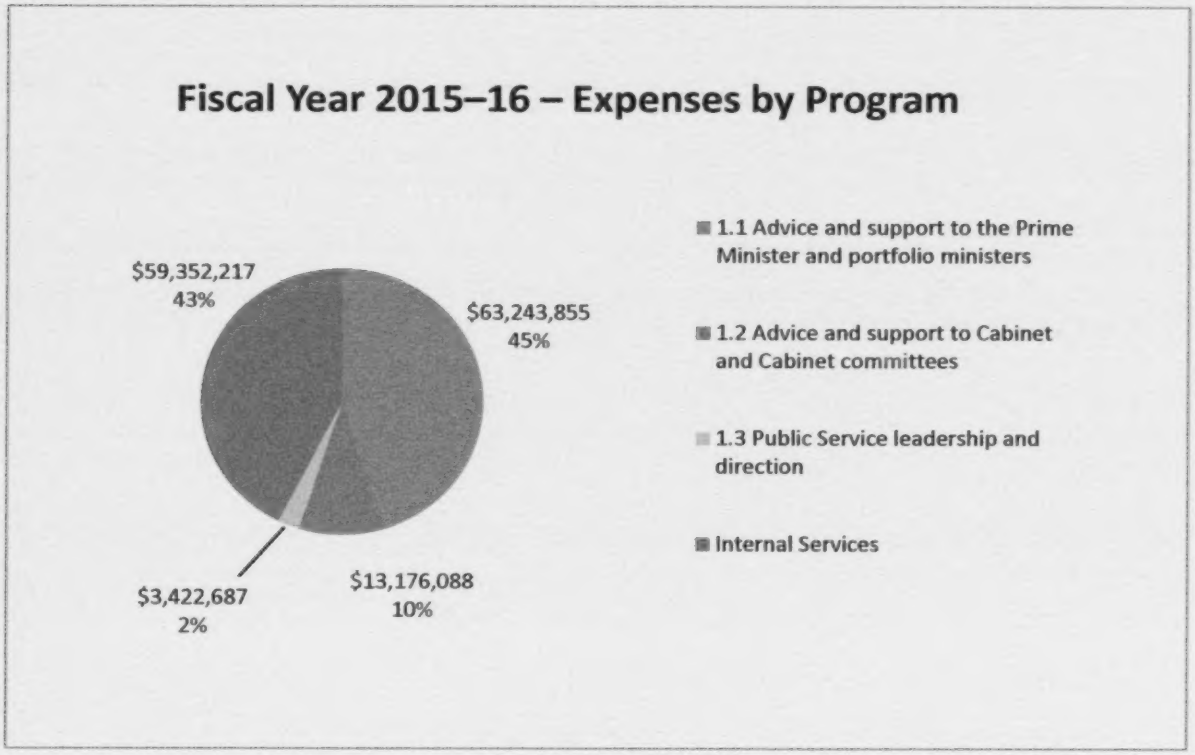
The department's actual net cost of operations before government funding and transfers in 2015-16 was $3.4 million less than the planned results for the same fiscal year. The decrease in expenditures is mostly explained by less spending related to the election period, employee turnover, other operating costs and a decrease in the contributions to employee benefit plans.

Reduced expenditures can also be attributed to decreases in non-appropriated accounts, such as vacation pay, inventory, amortization of capital assets and costs for common services provided without charge by other government departments.

These decreases were partially offset by additional spending for temporary initiatives that were not included in PCO's 2015–16 planned results, additional spending to support priorities of the new government, continued investments in security enhancement initiatives, policy-oriented learning and development opportunities and the support to the Canadian Secretary to the Queen prior to its transfer to Canadian Heritage.

Other offsets include increases in prepaid expenses, salary-related costs such as severance and

separation pay and increased spending on the modernization of information technology at PCO.

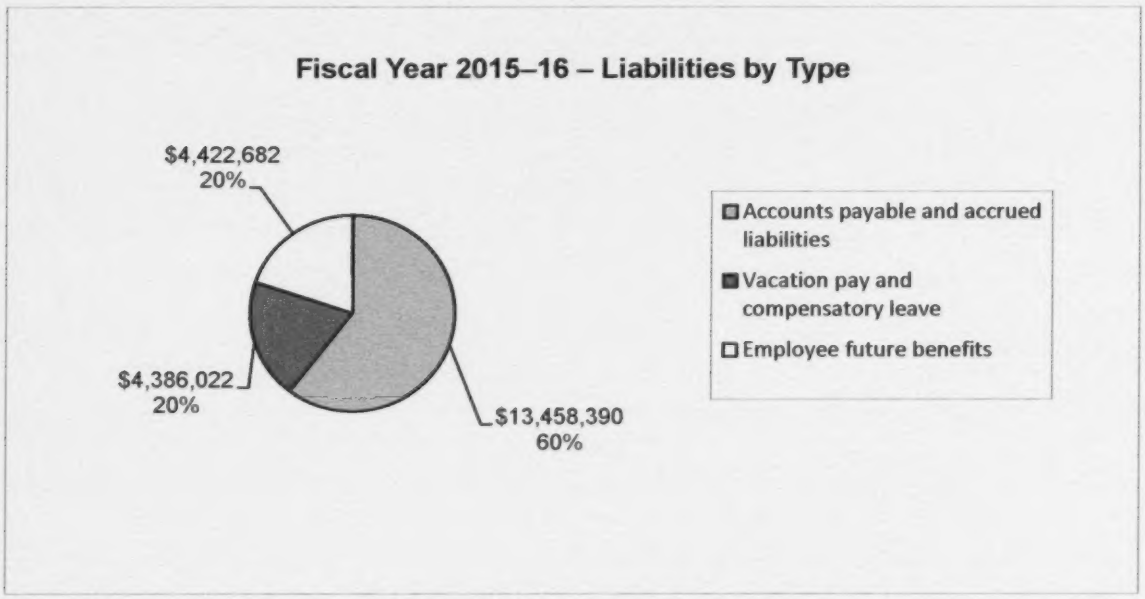


As illustrated above, departmental expenses in 2015–16 were highly concentrated in two key areas: Program 1.1 (Advice and support to the Prime Minister and portfolio ministers) and Internal Services. Program 1.1 represents 45% of departmental expenses, since it directly supports the central core of PCO's mandate. Internal Services represents 43% of expenses, since the department operates in a highly centralized and unique environment in which many costs are covered by Corporate Services.

Condensed Statement of Financial Position (unaudited)
As at March 31, 2016 (dollars)

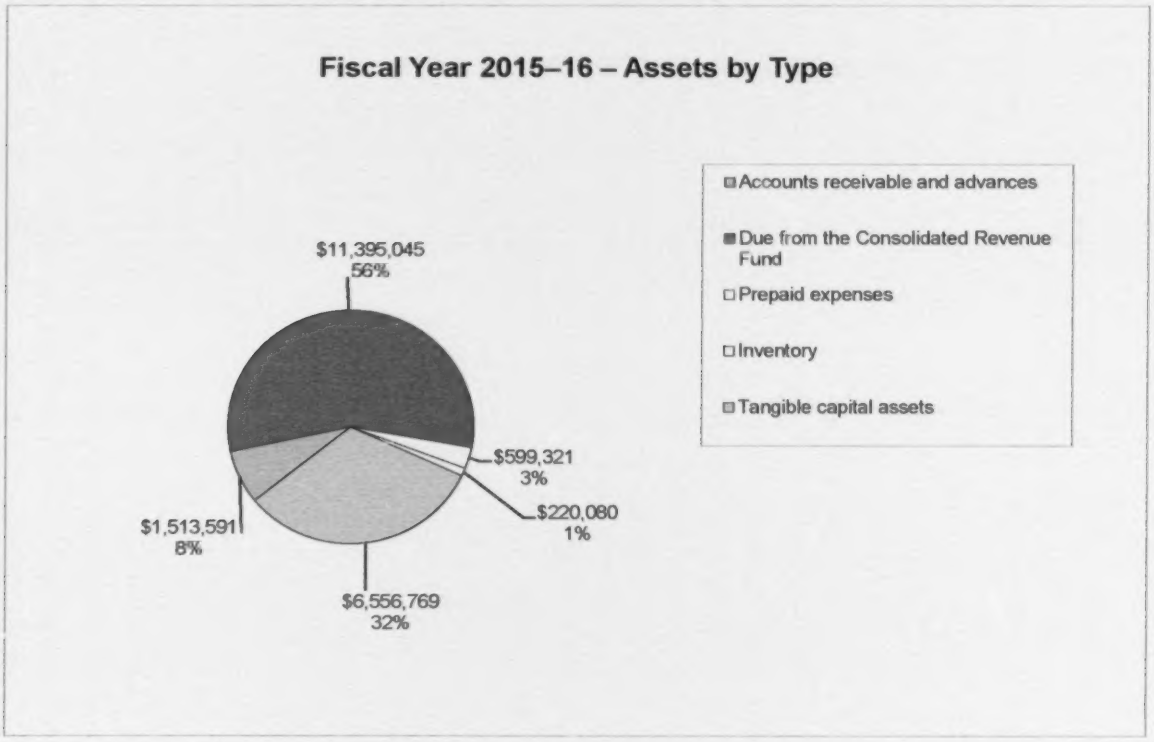
Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total net liabilities	22,267,094	25,984,069	(3,716,975)
Total net financial assets	12,908,636	12,936,410	(27,774)
Departmental net debt	**9,358,458**	**13,047,659**	**(3,689,201)**
Total non-financial assets	7,376,170	7,259,985	116,185
Departmental net financial position	**1,982,288**	**5,787,674**	**(3,805,386)**

In 2015–16, the department's net financial position decreased by $3.8 million from the previous fiscal year. The following charts provide more detailed information on the department's net financial position.



In 2015–16, total liabilities decreased by $3.7 million when compared to 2014–15. This decrease is mainly due to the decrease of the severance percentage factor which is provided by the Treasury Board Secretariat since the accumulation of severance benefits for voluntary departures ceased and

options to cash-out or retain the severance payment were made to all employee groups in the core public administration. Also, there is a decrease in the provision of vacation pay related to the cash out of vacations for the former Prime Minister's Office and portfolio ministers' exempt staff.



Total net financial and non-financial assets were $20.3 million in 2015–16, which represents an increase of $88,000 compared to 2014–15. The increase is mainly attributed to the year-end adjustments for the employee future benefits, the outstanding salary advances and the increase of inventory and capital assets. The increase is offset by the decrease in the Due from the Consolidated Revenue Fund generated by the transition payment to implement salary payment in arrears.

Section III: Analysis of Programs and Internal Services

Program 1.1: Advice and support to the Prime Minister and portfolio ministers

Description

PCO provides professional, non-partisan advice and support to the Prime Minister and portfolio ministers on the full spectrum of issues and policies they address on a daily basis.[x] PCO also provides advice and support on: the structure and organization of government; government-wide communications; Governor-in-Council appointments; the development and implementation of parliamentary and legislative programs; democratic reform; and legal issues. In addition, PCO provides administrative advice and support to the PMO and to the offices of portfolio ministers.

Performance Analysis and Lessons Learned

In fiscal year 2015-16, PCO provided advice and support to advance the agendas of two different governments. Throughout 2015–16, PCO delivered professional, non-partisan advice and support on the full spectrum of issues and policies addressed on a daily basis by each prime minister and by the respective portfolio ministers of each government.

PCO dispensed advice and support on the structure and organization of government, including on the formation of the new Ministry after the federal election. PCO significantly advanced the digital-by-default approach to government-wide communications.

Four hundred and three Governor-in-Council appointments were made, and twenty-two selection processes were completed in 2015–16, which is lower than in previous years due to the election period and the development of a new policy approach to Governor-in-Council appointments post-election. PCO also provided timely, quality support and advice for the development and implementation of parliamentary and legislative programs, the reform of democratic institutions, and legal issues. In addition, PCO provided administrative advice and support pertaining to the budgets of the PMO and those of the offices of portfolio ministers.

Information for each of the sub-programs that follow demonstrates how PCO supported the prime ministers and the portfolio ministers of each government in the achievement of their respective domestic and international priorities in 2015-16.

PCO effectively provided the necessary support for international engagements that advanced the respective government agendas of two prime ministers. This included briefings to the new Prime Minister for inaugural telephone conversations and meetings with international counterparts, heads of state and world leaders.

For additional details on PCO's performance and achievements in the sub-programs that are part of this program, please follow the link.[xi]

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
63,821,863	63,821,863	65,771,162	64,371,121	549,258

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
490	461	(29)

Please refer to Appendix I for performance summary details and an explanation of financial variance.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
PCO advice enables the Government to achieve its legislative and policy agenda.	The Prime Minister and portfolio ministers are fully supported in carrying out their respective responsibilities.	Targets are not applicable.	PCO delivered effective, high-quality, timely advice and support to ensure that the Prime Minister and portfolio ministers were fully able to carry out their respective responsibilities. PCO advised and supported the legislative, policy and government administration agendas of two prime ministers in fiscal year 2015–16. PCO coordinated the government-wide transition exercise for the October 2015 federal election, including briefing the new Prime Minister and portfolio ministers. PCO delivered machinery of government advice on the formation of the new Ministry, reflecting the Government's priorities. PCO implemented a digital communications strategy for the Prime Minister to enhance two-way communications with Canadians.

Program 1.2: Advice and support to Cabinet and Cabinet committees

Description

PCO supports the efficient and effective functioning of Cabinet and Cabinet committees on a day-to-day basis. As part of this work, PCO coordinates departmental policy, legislative, strategic communications and government administration proposals going to Cabinet and its committees; performs a challenge function during the policy development process; and prepares briefing materials and accompanying policy analysis to facilitate Cabinet's decision-making process. PCO also provides a secretariat function for Cabinet and its committees, which includes scheduling and support services for meetings, as well as preparation and distribution of Cabinet documents. In addition, PCO supports effective policy integration across the federal government so that proposals take into account the full range of departmental perspectives and issues related to implementation, such as communications, parliamentary affairs, intergovernmental relations and budget impacts.

Performance Analysis and Lessons Learned

In 2015–16, PCO successfully delivered advice and support to the Cabinets and respective Cabinet committees of two prime ministers. In fulfilling its responsibilities to each Cabinet and each Cabinet committee, PCO provided operational support, delivered professional secretariat functions and presented advice on policy, legislation and government administration priorities. PCO also finalized the Records of Decisions from Cabinet and Cabinet committee meetings and expertly and efficiently managed the confidentiality and integrity of documents and meetings.

PCO also guided and provided leadership in coordinating policy planning, including managing the contribution of other departments, ensuring that Cabinet and Cabinet committees received high-quality, timely, integrated and robust advice on priority areas identified by each government.

Information is provided on the PCO website for each of the sub-programs which are part of this program and that further demonstrate how PCO supported Cabinet and Cabinet committees in 2015–16. Please follow this link.[xii]

Budgetary Financial Resources (dollars)

2016–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
13,921,562	13,921,562	13,868,984	13,338,225	(583,337)

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
101	104	3

Please refer to Appendix I for performance summary details and an explanation of financial variance.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The functioning and integrity of the Cabinet decision-making process are maintained.	Cabinet and Cabinet committees are provided with timely support to enable decision making. • Number of meetings of Cabinet and Cabinet committees	Targets are not applicable.	PCO provided timely support to Cabinet and Cabinet committees to enable decision making. • 109 meetings of Cabinet and Cabinet committees were supported by PCO in 2015-16.

Program 1.3: Public Service leadership and direction

Description

PCO supports the development and maintenance of a high-quality Public Service that meets the highest standards of accountability, transparency and efficiency. As part of this work, PCO provides advice to the Clerk of the Privy Council, the Deputy Clerk and the Prime Minister on the renewal of Public Service and government operations in order to position the Public Service workforce and workplace for the future as more adaptable, innovative and streamlined. PCO also supports the human resources management of senior leaders across the government, including performance management and leadership development.

Performance Analysis and Lessons Learned

PCO contributed to sound government administration throughout 2015–16 with advice and support to the 22nd and 23rd prime ministers, the Clerk and the Deputy Clerk. As well, PCO supported the various committees that considered and advised on such concerns as responsive services to Canadians, enhanced productivity, finding better ways of doing business and the management of senior leaders.

PCO delivered advice and supported activities and efforts at all levels that promoted an efficient, modern and high-performing Public Service. This included the coordination of efforts that advanced the Blueprint 2020 vision.

Information provided on the PCO website for each of the sub-programs demonstrates how PCO supported business transformation, Public Service renewal and the management of senior leaders in 2015-16. Please follow this link. [xiii]

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
4,408,311	4,408,311	3,824,092	3,417,213	(991,098)

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
26	28	2

Please refer to Appendix I for performance summary details and an explanation of financial variance.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The Public Service has the talent, capacity and management frameworks to provide advice on and implement the Government's agenda.	The Public Service is engaged in renewal and business transformation activities.	Targets are not applicable.	PCO supported the Clerk and the Deputy Clerk in extensive engagement events on renewal and transformation. PCO advised and worked directly with the Blueprint 2020 National Secretariat on activities aimed at engaging public servants, including weekly calls with the Deputy Minister Champion for Blueprint 2020. The Blueprint 2020 National Secretariat was integrated into PCO in July 2015, ensuring dedicated capacity to engage public servants in renewal activities.

Program 1.4: Commissions of inquiry

Description

PCO provides commissions of inquiry with financial and administrative support. As part of this work, PCO can, when necessary, provide ongoing administrative advice and support in the following areas: staffing; acquisition services; contracting; financial services; access to funding; records management; payroll support; publishing information online; translation; legal services; security; and systems support.

Performance Analysis and Lessons Learned

No commissions of inquiry were undertaken during the 2015–16 fiscal year.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
0	0	0	0	0

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
0	0	0

Please refer to Appendix I for performance summary details and an explanation of financial variance.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Commissions of inquiry receive required resources as well as advice and guidance on financial and administrative matters.	Commissions of inquiry have received appropriate resources, as well as the necessary services, advice and guidance in a timely manner.	Targets are not applicable.	Not Applicable. No commissions of inquiry were planned or undertaken during the 2015-16 fiscal year.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Performance Analysis and Lessons Learned

In 2015–16, PCO continued to focus its efforts on complying with government-wide initiatives and demonstrated its commitment to sustaining a culture of high performance in support of government priorities.

Support for Government of Canada efforts to modernize information technology management and enhance end-user services, included: a Recordkeeping Transformation Strategy that enhanced digital recordkeeping practices; implementing the Email Management Strategy to comply with the government-wide standard; publishing the PCO Open Government implementation plan, and completing support and enhancements to enterprise applications (e.g., Phoenix, PeopleSoft and the Systems Application and Products, known as SAP). PCO also advanced its stabilization of departmental IT infrastructure, websites and disaster recovery site.

PCO advanced its commitments to government-wide modernization related to People Management, which included: the full implementation of the Directive on Performance Management and a robust Performance Management Program; implementing Phoenix; and commencing preparation for onboarding to My GCHR, scheduled for November 2017.

Emphasis continued on security and emergency management priorities at PCO resulting in the development of a targeted security training and awareness program and continuing implementation of a communications strategy; the development of a Crisis Management Plan; the implementation of updated methodologies in support of business continuity planning; and appropriate security support was provided to the outgoing and incoming governments during transition.

Public Service renewal continued with implementation of PCO's Destination 2020 signature initiatives on People Management, Innovative Practices and Networking, and Technology. As well, PCO's Central Innovation Hub worked with departments to enhance knowledge of innovative policy and programmatic approaches in the areas of behavioral insights and design thinking.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
36,681,543	39,768,394	43,750,696	41,992,462	2,224,068

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
227	279	52

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on the following sub-programs is available on the PCO website:

Sub-Program 1.1.1: Issues, policies, machinery and appointments
Sub-Program 1.1.2: International affairs and national security
Sub-Program 1.1.3: Intergovernmental Affairs
Sub-Program 1.1.4: Legislation, parliamentary issues and democratic reform
Sub-Program 1.1.5: Offices of the Prime Minister and portfolio ministers
Sub-Program 1.2.1: Operation of Cabinet committees
Sub-Program 1.2.2: Integration across the federal government
Sub-Program 1.3.1: Business transformation and Public Service renewal
Sub-Program 1.3.2: Management of senior leaders

Supplementary Information Tables

The supplementary information tables listed in the *2015–16 Departmental Performance Report* can be found on PCO's website.

- Departmental Sustainable Development Strategy[xiv]
- Internal Audits and Evaluations[xv]
- Response to Parliamentary Committees and External Audits[xvi]
- User Fees Reporting[xvii]

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* [xviii] publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Organizational Contact Information

Privy Council Office
http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=index

Clerk of the Privy Council – Website
http://www.clerk.gc.ca/eng/index.asp

Clerk of the Privy Council – Twitter Account
http://twitter.com/Clerk_GC
Tweet to @Clerk_GC

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorités*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i] Privy Council Office website, www.pco-bcp.gc.ca/index.asp?lang=eng&page=index/

[ii] .Minister's mandate letter, http://pm.gc.ca/eng/mandate-letters

[iii] Minister's mandate letter, http://pm.gc.ca/eng/mandate-letters

[iv] Order-in-Council P.C. 2016-209 transfers from the Privy Council Office to the Treasury Board the control and supervision of that portion of the federal public administration in the Privy Council Office known as the Canadian Secretariat to the Canada-U.S. Regulatory Cooperation Council, effective April 1, 2016.

[v] *Public Accounts of Canada 2016*, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2016/index-eng.html

[vi] *Public Accounts of Canada 2016*, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2016/index-eng.html

[vii] The Whole-of-Government Framework aligns the financial and non-financial contributions of departments, agencies, and Crown corporations receiving appropriations to a set of 16 high-level Government of Canada outcome areas within four overall spending areas—Economic, Social, International, and Government Affairs (http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)

According to the Policy on Management, Resources and Results Structures (MRRS), a program can only be aligned to one of the 16 Government of Canada outcomes. Sub-programs are not aligned to any outcomes, since they are naturally rolled-up under the parent program. Therefore, while PCO does provide advice and support in the areas of Economic, Social and International Affairs as part of its sub-programs (e.g. under sub-programs 1.1.1, 1.1.2, and 1.1.3), the most logical linkages for PCO at the program level are the outcomes listed as part of the Government Affairs spending area.

[viii] PCO 2015–16 Financial Statements are found under Reports and Publications on the website, http://www.pco-bcp.gc.ca/index.asp?lang=eng

[ix] PCO 2015–16 Financial Statements, http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/fs-ef-eng.htm

[x] This includes non-partisan advice and support in the following subject areas: social and economic affairs; regional development; foreign affairs; national security; development assistance; defence; intergovernmental relations; the environment; and legal counsel.

[xi] Additional details on PCO's Performance and Achievements in 2015–16 in the five sub-programs related to Program 1.1, Advice and support to the Prime Minister and portfolio ministers are available on PCO's website: http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/prog-eng.htm

[xii] Additional Details on PCO's Performance and Achievements in 2015–16 in the two sub-programs related to Program 1.2, Advice and support to Cabinet and Cabinet committees are available on PCO's website: http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/prog-eng.htm

[xiii] **Additional Details on PCO's Performance and Achievements in 2015–16 in the two sub-programs related to Program 1.3, Public Service leadership and direction are available on PCO's website:** http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/prog-eng.htm

[xiv] **Supplementary Information Table, Departmental Sustainable Development Strategy,** http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/supp/table1-eng.htm

[xv] **Supplementary Information Table, Internal Audits and Evaluations,** http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/supp/table2-eng.htm

[xvi] **Supplementary Information Table, Response to Parliamentary Committees and External Audits,** http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/supp/table3-eng.htm

[xvii] **Supplementary Information Table, User Fees Reporting,** http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2015-2016/supp/table4-eng.htm

[xviii] ***Tax Expenditure and Evaluation*** **publication,** http://www.fin.gc.ca/purl/taxexp-eng.asp